OFFICE OF THE OMBUDSMAN

Financial Statements

AS AT MARCH 31, 2001

NATURAL JUSTICE • ADMINISTRATIVE FAIRNESS • COMPLAINT RESOLUTI

102-03759/

Office of the Ombudsman

Financial Statements

As at March 31, 2001

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

As at March 31, 2001

Auditor's Report

Statement of Financial Position

Statement of Changes in Net Liabilities

Statement of Operations

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule 1 – Salary and Benefits Disclosure

Schedule 2 – Schedule of Allocated Costs

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Office of the Ombudsman as at March 31, 2001 and the statements of changes in net liabilities, operations, and changes in financial position for the year then ended. These financial statements are the responsibility of the Office's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Office of the Ombudsman has chosen to follow Alberta corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from Canadian generally accepted accounting principles. The Office has not capitalized and amortized capital assets with useful service lives greater than one year. The Office only capitalizes assets over $15,000. Consequently, a significant amount of resources available to the Office for future use has been recorded as if it had been consumed. It is estimated that at March 31, 2001, assets have been understated and net liabilities overstated by approximately $163,000 representing the unconsumed cost of capital assets at that date. If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included in expenses of the current year. The value of capital asset purchases that were expensed in the current year is less than the amount that would have been charged to amortization, understating expenses for the year ended March 31, 2001 by approximately $50,000.

In my opinion, except for the effects of the matters referred to in the preceding paragraph these financial statements present fairly, in all material respects, the financial position of the Office of the Ombudsman as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Peter Valentine FCA
Auditor General

Edmonton, Alberta
June 8, 2001

AUDITOR GENERAL
Alberta

OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2001

	2001	2000
Current assets:		
Cash	$ 300	$ 250
Advances	4,500	4,500
	$ 4,800	$ 4,750
Current liabilities:		
Accounts payable and accrued liabilities	$ 165,522	$ 238,001
Net liabilities	(160,722)	(233,251)
	$ 4,800	$ 4,750

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN NET LIABILITIES

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Net liabilities at beginning of year	$ (233,251)	$ (145,396)
Net operating results	(1,390,583)	(1,442,418)
Net transfer from general revenues	1,463,112	1,354,563
Net liabilities at end of year	$ (160,722)	$ (233,251)

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2001

	2001		2000
	Budget (Note 4)	Actual	Actual
Expenses: (Note 4)			
Voted:			
Salary, wages, and employee benefits		$ 1,151,215	$ 1,092,303
Supplies and services		229,056	338,902
	$ 1,644,100	1,380,271	1,431,205
Valuation adjustments			
Provision for vacation pay		10,312	11,213
Net operating results		$ (1,390,583)	$ (1,442,418)

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Operating transactions:		
Net operating results	$ (1,390,583)	$ (1,442,418)
Increase (decrease) in accounts payable and accrued liabilities	(82,792)	76,642
Increase in accrued vacation pay	10,313	11,213
Cash used by operating transactions	(1,463,062)	(1,354,563)
Financing transactions:		
Net transfer from general revenues	1,463,112	1,354,563
Net cash provided	50	-
Cash, beginning of year	250	250
Cash, end of year	$ 300	$ 250

The accompanying notes and schedules are part of these financial statements.

OFFICE OF THE OMBUDSMAN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

Note 1 Authority and Purpose

The Ombudsman is an officer of the Legislature who operates under the authority of the Ombudsman Act. The net cost of the operations of the Office of the Ombudsman (the Office) is borne by the General Revenue Fund of the Province of Alberta. Annual operating budgets are approved by the Select Standing Committee on Legislative Offices.

The Office promotes fairness in public administration within the Government of Alberta.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the Government of the Province of Alberta. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for these government policies. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

a) Reporting Entity

The reporting entity is the Office of the Ombudsman which is a legislative office, for which the Ombudsman is responsible.

The Office operates within the General Revenue Fund (the "Fund"). The Fund is administrated by the Provincial Treasurer. All receipts of the Office are deposited into the Fund and all disbursements made by the Office are paid from the Fund.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Basis of Financial Reporting

Expenses

Expenses represent the costs of resources consumed during the year on the Office's operations.

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for employee service relating to prior years.

Certain expenses, primarily for office space, and banking services, incurred on behalf of the Office by government departments are not reflected in the Statement of Operations.

Valuations Adjustments

Valuation adjustments represent the change in management's estimate of future payments relating to vacation pay.

Assets

New systems development below $100,000 and other capital assets below $15,000 are expensed as acquired. Assets acquired by right or donation are recorded at nil cost.

Net Liabilities

Net liabilities represent the difference between the recorded value of the assets of the Office and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3 Lease Obligations or Commitments

The Office leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2002	$ 4,524
2003	2,865
2004	1,320
Total	$ 8,709

Note 4 Budget

Expenses:	
2000-01 authorized budget[(a)]	$ 1,644,100
2000-01 actual expenses (excluding valuation adjustments)	1,380,271
2000-01 unexpended (excluding valuation adjustments)	$ 263,829

(a) Legislative Assembly Estimates approved on May 5, 2000.

Note 5 Pensions

The Office participates in the multiemployer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The expense for these pension plans is equivalent to the annual contributions of $60,342 for the year ending March 31, 2001 (2000-$56,565).

At December 31, 2000, the Management Employees Pension Plan reported a surplus of $104,658,000 (1999-$46,019,000) and the Public Service Pension Plan reported a surplus of $635,084,000 (1999-$517,020,000).

Note 6 Approval of Financial Statements

These financial statements were approved by the Senior Financial Officer and the Ombudsman.

Schedule 1

OFFICE OF THE OMBUDSMAN

SALARY AND BENEFITS DISCLOSURE

FOR THE YEAR ENDED MARCH 31, 2001

	2001				2000
	Salary [1]	Benefits and Allowances [2]	Other	Total	Total
Senior official					
Ombudsman [3]	$ 119,869	$ 4,055	$ -	$ 123,924	$ 115,445

(1) Salary includes regular base pay, bonuses, lump sum payments and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships, moving expenses and tuition.

(3) Automobile is provided, but not included in benefits calculations.

Schedule 2

OFFICE OF THE OMBUDSMAN
SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2001

	2001				2000
		Expenses - Incurred by Others	Valuation Adjustments[3]		
Program	Expenses[1]	Accommodation Costs[2]	Vacation Pay	Total Expenses	Total Expenses
Operations	$ 1,380,271	$ 251,959	$ 10,312	$ 1,642,542	$ 1,523,077

1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.
2) Costs shown for Accommodation (includes grants in lieu of taxes), allocated by square footage.
3) Valuation Adjustments as per Statement of Operations. Employee Benefits provision were allocated by employee.